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INFLUENCE OF COVID 19 ON INDONESIAN AND WORLD ECONOMY

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ABSTRACT

Covid 19 has become a very serious problem for many people wherever they are, both at home and abroad. This has been shown by the occurrence of various events that have shaken the governments of world countries where they have to overcome problems that arise both from within and from abroad. Covid 19 has become an important topic in the last 3 years since it was first detected in 2019 in the city of Wuhan, China. The death of humans in very large numbers and also in other countries due to contagion spread through people traveling from one country to another has made the problems caused by Covid 19 a formidable challenge for every country, where every state must be able to regulate the travel process of its citizens entering and leaving the country, on the other hand, the government must also regulate the process of accepting foreign nationals who will enter or leave a country. Taking into account these things, it can be observed that there is a significant influence and impact on the economy of a region or country that is affected by human movements, both between countries and those occurring within the country. The existence of movement restrictions to reduce the spread of the virus that occurs from human or person-to-person meetings has resulted in a decrease in the level or number of transactions that occurred during this period or since Covid 19 was detected in 2019 and even now the impact is still being felt until now.

Keywords: covid 19, world's economy, transactions

1. INTRODUCTION

The COVID-19 outbreak is an event that occurred in the early years of 2019 and had a very bad impact on the economy of the world's population, regardless of developed or developing countries, rich or poor groups, educated or underdeveloped communities. Many countries in the world are experiencing serious problems when dealing with the covid 19 virus. The increase in the number of people affected by covid 19 is the cause of the large number of people being hospitalized and even causing a fairly high death toll, thus crippling people's ability to be able to carry out daily economic activities. Many offices, shops and schools as well as parts of other community activities had to be closed and stopped due to the spread of the COVID-19 virus in the community. The number of hospitals devoted to treating patients affected by COVID-19 is increasing, the focus of hospitals in dealing with COVID-19 patients is part of the government's instructions to work on it first and put the handling of other diseases being treated at the hospital second.

Another impact of the spread of the Covid-19 virus that was felt was the increase in the exchange rate of the dollar against the rupiah currency which resulted in swelling of the debtor's installments for the loan facility in dollar currency to the creditor. This increase also triggers the ability of market players to depend on or use the dollar currency in carrying out their business activities, especially those related to importing goods from abroad for resale in the country (Firdaus, 2020). This causes the importers of these goods to experience difficulties in paying their obligations to their counterparts who are abroad, which in turn will weaken the trade process between market participants who are involved in importing domestic goods.

Another consequence that is an indication of the spread of the COVID-19 virus is that there is a perceived economic slowdown in many trade sectors, one of the reasons that can be used as a reason for this to happen is due to the movement of people who have decreased significantly, the implementation of strict health protocols that must be carried out every year, community activities, the appeals and prohibitions of the governments of each country so that their people do not leave their homes for an indefinite period of time are also the cause of the sluggish trade, while the government is in the process of finding out the cause of the covid 19 virus, how it spreads and what steps to take, must be taken so that this bad situation can be handled so that the community can carry out better activities while suppressing the level of transmission, especially reducing the number of people infected by eliminating the covid 19 virus from the wider community.

In fighting the spread of covid 19, Indonesia and also all countries in the world declared war on this covid 19 virus, they are working together to find the best and fastest way out to overcome the spread and to find out more quickly what causes this deadly virus. At first all countries in the world did not have definite

knowledge about the cause of this covid 19 virus, what could be detected was its spread through person to person. Therefore, every country takes preventive measures by prohibiting people from countries that are indicated to have an increased impact of the COVID-19 virus from entering their countries, on the other hand other countries also impose restrictions and even prohibit them from closing airports, sea ports, and borders with neighboring countries which are used by the people of neighboring countries to cross and return to their countries. All of this is done in order to combat the covid 19 virus, which at the beginning of 2019 could not be handled or overcome the impact of the spread of the covid 19 virus.

Meanwhile, the world health agency or the World Health Organization or WHO and other developed and developing countries are working together to find the best way to suppress or even eliminate the effects of the spread of the COVID-19 virus, both regionally and in the wider region. The world unites and focuses all efforts to be able to fight this covid 19 virus together, they work hand in hand to find the best way so that the spread of this covid 19 virus can be suppressed until it is removed from the earth's surface. The war against the covid 19 virus is still ongoing until now, although the results cannot be said to be maximal, because there are still many people who are exposed to this covid 19 virus and there are still many people who die because there is no accurate and appropriate solution to overcome the impact of the covid 19 virus, coupled with the emergence of new variants of the covid 19 virus, which causes medical scientists to seek and find new vaccines that are suitable for fighting the new variant of the covid 19 virus, because the vaccine that was originally discovered was not suitable for use in a new variant of the previously detected covid 19 virus.

The spread of covid 19 and its variants has also resulted in and has an impact on the decline in commodity product prices (Nasution et al., 2020), this is because the commodity-producing countries cannot trade with the buying country in the traditional way that has been carried out so far, there are many restrictions, and procedures related to health protocols that must be met and carried out in order to ensure that the commodity products traded can be accepted by other countries and vice versa. Strict health protocols during the discovery of the COVID-19 virus have even been in effect until now, causing commodity products to be traded to experience a significant decrease in price. One country is unable to meet the demand for raw materials from other countries, due to the disruption of the production process of these raw materials in the country, thus affecting the domestic production process, which in turn makes the domestic production process stop so that the commodity product drops significantly. This happens also vice versa, with restrictions on activities in the country making entrepreneurs or exporters unable to produce the raw materials needed in other countries which also causes the price of commodity products to fall in that country.

In other sectors (Muliati, 2020), the observable impact of the spread of the COVID-19 virus is taxes, where there has been a significant decrease in tax revenue from time to time due to a decline in economic activity both at home and abroad which has caused government revenues to drop drastically, of course. This has resulted in a decrease in tax revenues which is an important factor to move the wheels of government in financing the government's needs to run the country. This is not only experienced by one or two countries, where the decline in tax revenue is experienced by all countries that have experienced the attack of the covid 19 virus. The sector that can be said to be hardest hit due to the spread of the covid 19 virus is the tourism sector, where a significant decline occurred very sharp for the number of visits or tourist trips both domestically and especially abroad. The government's policy to limit and even close tourist destinations from foreign and domestic tourist visits has made a lot of companies engaged in this tourism sector suffer losses and close their businesses.

The e-commerce approach is one of the solutions taken by entrepreneurs to overcome the impasse of a way out in carrying out their business (Ayu & Lahmi, 2020). E-Commerce is the answer for sellers and buyers to be able to transact with each other in line with the discovery of new solutions and new concessions provided by the governments of each country to provide business opportunities to return to normal. The use of technology in carrying out other processes is also carried out, including for the education sector, the concept of offline or distance learning using the face-to-face application Zoom or Gmeet available in the market, meetings and meetings that were originally conducted in the traditional way or gathering in one room then change to virtual face-to-face.

With this new method, there is a need within the community to provide hardware and software that can help them communicate or transact, and so on, there will be innovations that can overcome the impasse that was previously felt to have severely restricted the course of the economy in Indonesia (Sihaloho, 2020).) as well as in many countries in other parts of the world, so that communication can be rebuilt and the problem of restricting the movement of people that used to be an obstacle in transactions can then be overcome, little by little so that people know what is then called the new normal, namely the new way to overcome problems caused by concerns about the spread of the COVID-19 virus and its derivatives in the midst of the Indonesian society and economy and the world.

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2. LITERATURE REVIEW

2.1. Covid 19

A collection of viruses that infect the respiratory system.

2.2. Economy

A large set of interrelated production and consumption activities that help in determining how scarce resources are allocated.

2.3. Transaction

An agreement between a buyer and a seller to exchange goods, services or financial instruments.

2.4. World Health Organization (WHO)

United Nations specialized agency responsible for international public health.

2.5. Exchange Rate or Exchange Rate

Represents the value of one currency when converted to another currency.

2.6. Variant of Covid 19

The new variant of the Corona virus has entered Indonesia. The new variants include the B117, B1351 and B1617.

2.7. Large-Scale Social Restrictions (PSBB)

Restrictions on certain activities of residents in an area suspected of being infected with COVID-19.

2.8. Work From Home (WFH)

This is the system chosen by the government to reduce the spread of the new type of corona virus (SARS-CoV-2) that causes Covid-19.

2.9. Economic Sector

A collection of similar economic activities. Similarities vary depending on the classification we use. It could be by stage in the production chain, source of income or product type, or by ownership.

2.10. New Normal

Policy to reopen limited economic, social and public activities using health standards that did not exist before the pandemic.

2.11. E-Commerce

Distribution, sale, purchase, and marketing of goods or services that rely on electronic systems.

2.12. Counter Party

Other parties participating in financial transactions or any transactions.

3. METHODOLOGY

The research method used is qualitative research in the form of explanations and descriptions obtained from various literature and reading sources related to the Covid-19 pandemic. The data collection technique used in this research is library research, namely the research is carried out by searching literature (library) in the form of books, notes, journals, web (internet) and also other information related to the theme of this research.

Sources of data in this study are secondary data in the form of notes, documents, journals, books and notes related to this research. This study aims to determine the effect of the Corona Virus Disease 2019 (Covid-19) Pandemic on Indonesia's economic conditions in several sectors.

4. RESULT AND DISCUSSION

The spread of covid 19 can be said to be the cause of the economic crisis, where the economy can be said to be paralyzed by the reduction in the movement of people or Large-Scale Social Restrictions (PSBB), Work From Home (WFH), entrepreneurs closing their companies due to a significant decline in profits, unemployment, and the existence of economic activities that can be a source of income or income to both the community and the government. All of these factors are part of the factors that cause the collapse of the local, regional and international economy.

Since 2019 until now, we can still find that there are a lot of tourist attractions that have not yet recovered to start receiving tourist visits, they still have to make sure that when they rise again, this covid 19 virus must really be said to be handled properly, so that the bitter experience they experienced can be avoided in the future when they reopen this tourism business. Due to the spread of covid 19 and its derivatives, there have been a lot of layoffs (PHK) among tourism entrepreneurs which have caused the loss of livelihoods for employees in the tourism environment as well as businesses around tourism which are also affected by the spread of the covid 19 virus which causes a decrease in income, society and even unemployment.

Even though there are various limitations in running the economy, there are still ways and ways that can be taken by economic actors to still be able to transact, namely through the use of technology, finding

new trade patterns and transaction processes through what is then known as e-Commerce. which is a mainstay for many people, especially entrepreneurs, to be able to continue to run their business.

E-Commerce provides new opportunities for entrepreneurs to be able to get the opportunity to trade both domestically and with foreign parties who previously experienced a deadlock due to the strict regulations implemented by the governments of each country to ensure that there are no new victims due to the spread of COVID-19. 19 and its derivatives.

From the notes issued by the Indonesian government, the following are some of the sectors that experienced a decline in activity in sectors that affect the country's economy as follows:

1. Mining and Quarry
2. Processing Industry
3. Electricity, Gas and Clean Water
4. Construction
5. Trade, Hotel and Restaurant
6. Transportation and Communication
7. Finance, Real Estate and Corporate Services
8. Services
9. Agriculture, Plantation, Livestock, Forestry and Fisheries
10. Capital Market
11. Debt Securities
12. Trading Gold

5. CONCLUSION

This research shows that the impact of the spread of the COVID-19 virus and its derivatives is still an important factor that causes a decline in economic levels and activities in many countries as well as in Indonesia to date. There is no certainty when the deadly bad effects of the covid 19 virus can be handled and even removed from the face of the earth because there is no vaccine or treatment that can be used to overcome the deadly effects of the spread of covid 19, at least until now. Some of the opinions expressed in the public sphere are that we must begin to learn to live side by side with the covid 19 virus as we have been living side by side with other diseases such as coughs, colds, flu, and others.

Public attention is still needed to continue to strictly implement health protocols so that over time a powerful vaccine will be found to combat the COVID-19 virus and its derivatives, at the same time the community can still run the economy to meet their daily needs, even if on a small scale. can have a fairly good impact on the running of the economy in the territory of their respective countries as well as with their counter-parties in other countries.

The world community still has to wait patiently for an undetermined time until the right vaccine is found and strong enough to fight the covid 19 virus. The derivative of the covid 19 virus also presents a significant new challenge for the medical world to be able to find the right vaccine for every derivative of the covid 19 virus so that the economic activities of countries that are still in contact with cases related to covid 19 will still experience a slowdown which can aggravate the economic wheels in the country or region concerned. Hopefully this covid 19 virus can be overcome completely so that human life can return to normal as soon as possible when the covid 19 virus does not spread like it is now. Amen.

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